

## CHAPTER 5

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# WORK IN PROGRESS REQUIREMENTS

### Section 5-1

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#### AMENDED ESTIMATES

**5-1.1 Requirements.** It may be necessary for a repair facility to perform labor or install parts in addition to what was listed in the original written estimate. The following steps must be followed:

- (a) The facility is required to get either written or verbal approval from the customer before doing anything which will exceed the original estimate by more than \$10 or 10%, whichever is less;
- (b) If a customer makes such a request, a facility must obtain the customer's permission to make *any* charge above the estimated price. If the customer does not approve the additional charges, the facility may not provide and charge for the added parts and labor.

**5-1.2 Verbal Authorization.** When a facility obtains verbal approval for added parts or labor, the facility should document the authorization in its work order. It is important to be consistent in obtaining authorizations. The following information is suggested:

- (a) The name of the person providing the added authorization;
- (b) The time of day the authorization was obtained;
- (c) The dollar amount authorized;
- (d) The total amount of the repair bill discussed and agreed upon;
- (e) Other information needed to verify the authorization.

## Section 5-2

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### DIAGNOSTIC ANALYZERS

**5-2.1 Performance.** Diagnostic analyzers are often used to determine the need for motor vehicle repairs. It is the repair facility's responsibility to ensure that analyzers are functioning properly and diagnose repairs correctly. Customers have a right to expect that mechanics and repair facilities are able to use equipment and tools correctly in the course of their work, regardless of sophistication.

**5-2.2 Liability.** The *Motor Vehicle Service and Repair Act* obligates mechanics and repair facilities when an incorrect diagnosis results in unnecessary repairs or a failure to solve the needed repairs. A miscalibrated or malfunctioning analyzer does not relieve the mechanic or repair facility of liability when unnecessary or faulty repairs are performed.

## Section 5-3

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### SUBLET REPAIRS

A repair facility may not be equipped to perform a particular repair and, therefore, may contract with another repair shop to perform needed work. A repair facility which actually performs the sublet repairs should treat the other facility the same way any other customer is treated.

**5-3.1 Requirements.** The sublet shop must comply with the basic provisions of the *Motor Vehicle Service and Repair Act* and provide written estimates, invoices, return of replaced parts, etc., just like the repair facility contracting for repairs.

**5-3.2 Mechanic Certification.** When the *vehicle* is sublet to another repair facility for major repairs, the second repair facility must:

- (a) Employ and have all repairs performed by a properly certified mechanic;
- (b) If the first repair facility diagnosed the needed repair, the name and certification number of the diagnosing mechanic must appear on the customer's invoice, along with the name and certification number of the mechanic who performed the repairs at the sublet shop.

When a major part, such as an engine or transmission, is sublet to another repair facility for repairs, the following is necessary:

- (a) The repair facility that removed the part must employ a properly certified mechanic to diagnose, remove or re-install the part;
- (b) The names and certification numbers of the mechanics who diagnosed, removed or reinstalled the part must appear on the final invoice given to the customer.

## **Section 5-4**

### **UNFAIR AND DECEPTIVE PRACTICES**

**5-4.1 Requirement.** The *Motor Vehicle Service and Repair Act* provides that a motor vehicle repair facility or mechanic cannot engage or attempt to engage in a method, act or practice which is unfair or deceptive (MCL 257.1307).

**5-4.2 Prohibited Practices.** Every repair facility owner or manager should be familiar with the entire "Unfair and Deceptive Practices" portion of the *Motor Vehicle Service and Repair Act* and the Administrative Rules. These laws require repair facilities to be fair and honest with customers. Copies of the Administrative Rules can be printed from the Michigan Department of State's web site at [www.Michigan.gov/sos](http://www.Michigan.gov/sos), Services to Businesses.

Some of the unfair and deceptive practices identified in the Rules are:

- (a) Make, either written or orally, an untrue or misleading statement of a material fact;
- (b) Fail to reveal a material fact, the omission of which tends to mislead or deceive the customer and which fact could not reasonably be known by the customer;
- (c) Attempt to avoid or evade the law through a contract or any provision thereof;
- (d) Allow a customer to sign a blank document relating to the repair of a motor vehicle;
- (e) Fail to give the customer a copy of a document at the time it signed by the customer;

- (f) Charge for repairs not performed;
- (g) Misrepresent the need for repairs;
- (h) Perform an unnecessary repair;
- (i) Exaggerate the seriousness of a malfunction;
- (j) Perform unauthorized repairs;
- (k) Fail to perform repairs in the time promised or in a reasonable time period; and
- (l) Fail to honor a warranty or to disclose in writing what is warranted, the extent of the warranty, and limitations or conditions of the warranty.